

**UNDP-UNEP Poverty and Environment Initiative (PEI)**

**Overall goal:** *To contribute to poverty reduction and improved well-being of poor and vulnerable groups through mainstreaming of poverty-environment linkages into national development processes.*

**Objectives at country level:**

- *Mainstream environmental sustainability into national development strategies, such as Medium Term Development Strategy (MTDS), Long Term Development Strategy (LTDS) and National Strategic Plan (NSP)*
- *Aligning national budget allocations in support of pro-poor environmental outcomes;*
- *Building the long-term capacity of the government to integrate poverty-environment concerns into the design and implementation of various sectoral plans.*

**Basic Facts of PEI in Papua New Guinea**

- PEI provides technical support to the UNDP funded capacity building programme for the Department for Environment and Conservation (DEC). This capacity building programme of approximately \$0.5 million per year has been ongoing for three years with TRAC funds. A review is planned at the end of 2009 to determine a possible next phase. PEI is likely to be involved in this review which will determine what future support may be required from PEI.
- This UNDP support assists DEC with the MDG 7 technical Task Force on Environmentally Sustainably Economic Growth. The PEI support started during the second half of 2008.
- Key national partners include the Department for Environment and Conservation, the Treasury, the National Planning and Monitoring (DNPM), the Forestry Authority, the Mineral Resources Authority, the Office of Climate Change and Environmental Sustainability and the Department of Agriculture and Livestock.
- The budget is provided by the Government of Papua New Guinea and UNDP- Papua New Guinea while PEI provides technical support.
- DEC also receives support from AUSAID and in 2008 two large GEF projects were approved on Coastal management and Sustainable Forest Management. DEC is also involved in the cross government work on Reduced Emissions from Deforestation and Degradation (REDD) which is supported by the UN-REDD programme, AUSAID and others. One of the objectives of the PEI support is donor harmonization on the environment and on support for DEC.
- PEI has also provided funding for the government of PNG – DEC, Treasury and Planning – to engage in south-south regional lesson learning on environment mainstreaming for pro-poor growth and other topics of relevance.

**The context of mainstreaming in Papua New Guinea**

- The country has rich natural resources – both renewable and non-renewable. These include some of the world's richest mineral and petroleum deposits (\$750 million in revenues per year), forests, fisheries, and land. These resources can provide direct goods and services for consumption (e.g. fish, timber), for non consumptive use (e.g. forests for carbon trade) and inputs to other goods and services (e.g. tourism sites or watersheds for freshwater supply).
- Small scale miners are numerous and mining waste remains a challenge. Forest cover is still high (71%) but forest loss and degradation is rapid. Managing small scale logging, addressing the threat of oil palm and making large scale logging is another challenge for the country. In this context, “reduced emissions from deforestation” is receiving much attention. Water, fishery management and tourism are other important areas to be managed sustainably.
- The country faces many choices in natural resource use between economic development, poverty reduction and sustaining the resource base, including on the scale of operations and balancing employment and revenues for example in the fishery sector.
- Many key policy documents (e.g. the Medium Term Development Strategy) highlight the centrality of natural resource management in the country. However legislation for several

key natural resource agencies needs revision. Provincial government need to have a much bigger role in sustainable economic growth.

- PNG is preparing a 40 Year National Strategic Plan to convert the profits from exploitation of non-renewable resources into development of sustainable and renewable resources and achievement of the MDGs.
- The Department for Environment and Conservation (DEC) has a vital role to play to regulate effectively for sustainable economic growth and is reforming to give itself a stronger policy focus. In particular the Department for Environment and Conservation has approached environmental mainstreaming into national processes through a focus on sustainable economic growth.

#### **Main activities of PEI in Papua New Guinea**

- Supporting the institutional changes of the Department for Environment and Conservation (DEC) to promote environmentally sustainable economic growth. The next step is a Cabinet Submission by DEC with the Department of National Planning and Monitoring to define the key aspects of such as approach.
- Revising the MDG7 indicators as part of the Medium Term Development Strategy Review (MDTS) and ensuring that Environmentally Sustainable Economic Growth is incorporated into the Long Term Development Strategy (LDTS) and other sector strategies (e.g. electricity and public private partnerships).
- Supporting the development of a land use policy and plan with coordination and updating of spatial data, building on the National Economic Council decision. The land use policy and plan would support environmentally sustainable economic growth through rationale selection of sites for catchment protection, logging, mining, conservation areas and oil palm development.

#### **What has been achieved to date?**

- A work plan and priorities have been identified and will be led by the Department for Environment and Conservation, with UNDP-Papua New Guinea and PEI support
- The Department for Environment and Conservation's environment economics workshop achieved its objective to engage key government, private sector and civil society groups in the Environmentally Sustainable Economic Growth approach. The workshop was a joint collaboration between government, the UN, the Environment Economics Programme for South East Asia (EEPSEA) and The University of PNG. There was strong participation from the Treasury, Forestry, Fisheries, Minerals, and Climate government bodies, as well as research institutions, NGOs, land owner groups, and the private sector (Timber Association). Discussions provided good suggestions on the need for reforms of the Department for Environment and Conservation. EEPSEA funded grants to undertake environment economics policy research were also discussed and will be developed.
- A Policy Advisor – Natural Resource Economist is being recruited with UNDP funds to support the ESEG approach within the Department for Environment and Conservation and across government

#### **Lessons learned**

- There are opportunities for PEI to provide technical support focusing on technical assistance to on-going UN programmes for environmental mainstreaming.
- Environment agencies, such as DEC, can play a key role in mainstreaming particularly if they take an economic approach and link up with Ministries of Finance and Planning.
- Environment agencies such as DEC often are the focal point for uncoordinated GEF projects. Until core institutional reforms and capacity is developed, the effectiveness of these GEF projects will be undermined, yet GEF typically does not have the mandate or focus for this structural engagement. PEI can help address this gap.
- Environment indicators need to be identified to help "localize" MDG7 by quantifying the economic contribution of sustainable natural resource use and the importance of the

environment for poverty reduction (e.g. environment links to the health, livelihoods and vulnerability of poor people).

**Key documents for PEI in Papua New Guinea**

[Mission report to PNG from 2008](#)

[Mission report to PNG in May 2009](#)

[Minutes of Environmentally Sustainable Economic Growth environmental economics workshop, May 2009](#)

[Department of Environment and Conservation Capacity Strengthening Project document](#)

**Way forward**

- Further develop partnerships with Treasury and Planning for the Environmentally Sustainable Economic Growth to be mainstreamed
- Proceed with the reform of Department for Environment and Conservation with a stronger regulatory role and greater use of economic incentives.
- Support policy relevant environment economics and capacity building in this area.
- Support the development of Environment Indicators linked with the MDGs and pro-poor growth for inclusion in the Medium Term Development Paper (MTDP) and Long term Development Strategy (LTDS) with UNEP-DEWA support.

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